



Year of Progress

POPULAR ANNUAL FINANCIAL REPORT

For The Year Ended

June 30, 2022

The Metropolitan Government of Nashville and Davidson County

NASHVILLE,
TENNESSEE

JOHN COOPER, MAYOR

I am pleased to share the **Popular Annual Financial Report (PAFR)** for the Metropolitan Government of Nashville and Davidson County (Metro) for Fiscal Year 2022 which ran from July 1, 2021, to June 30, 2022. **This report provides readily accessible and easily understandable financial information to the general public and other interested parties.** The PAFR summarizes the financial results of Metro's operations and conveys significant information about major aspects of the government's financial condition.

The PAFR, unlike the Annual Comprehensive Financial Report (ACFR), is unaudited and does not contain all reported funds and full financial disclosures for the fiscal year. All information contained in the PAFR is derived from the ACFR unless otherwise noted. As reference, the ACFR can be found at www.Nashville.gov/departments/finance/reports.

I hope the Citizens of Nashville and Davidson County find the PAFR both helpful and informative in understanding the financial complexities of Metro. My desire is that this new report provides transparency within our community, serves as a reference guide, and offers a review of our year of progress.

Sincerely,



Kelly Flannery
Director of Finance

The Public Annual Financial Report, "PAFR" contains financial and statistical information for the Metro Government of Nashville and Davidson County. The information is provided for quick reference only. It is not a summary, or a compilation of all information contained within the Annual Comprehensive Financial Report. Such information may involve known and unknown risks and uncertainties which may cause the actual performance and financial results reported to differ materially from any estimates of future performance or results expressed or implied by this PAFR. The PAFR has not been prepared to give information for making decisions on buying or selling securities and should not be relied upon by investors in making investment decisions. With respect to any bonds, notes or other obligations of Metro, please refer for information only to the ordinances and notifications of sale and the related disclosure documents, if any, or continuing disclosure filings, if any, for such bonds, notes or other obligations.

Metro's Fiscal Year of Progress

01 ELECTED OFFICIALS



02 METRO OVERVIEW



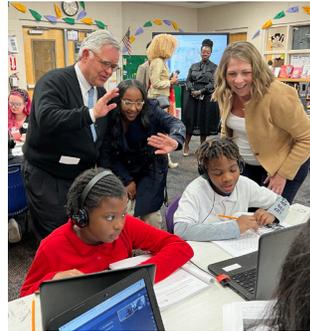
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JOHN COOPER
MAYOR



JIM SHULMAN
VICE MAYOR

FINANCE OFFICIALS

Vivian M. Wilhoite, Assessor of Property
Erica S. Gilmore, Trustee
Brenda Wynn, County Clerk

**MEMBERS OF
METROPOLITAN
COUNCIL**

At Large Bob Mendes	District #16 Ginny Welsch
At Large Sharon Hurt	District #17 Colby Sledge
At Large Burkley Allen	District #18 Tom Cash
At Large Vacant	District #19 Freddie O'Connell
At Large Zulfat Suara	District #20 Mary Carolyn Roberts
District # 1 Jonathan Hall	District #21 Brandon Taylor
District # 2 Kyonzté Toombs	District #22 Gloria Hausser
District # 3 Jennifer Gamble	District #23 Thom Druffel
District # 4 Robert Swope	District #24 Kathleen Murphy
District # 5 Sean Parker	District #25 Russ Pulley
District # 6 Brett Withers	District #26 Courtney Johnston
District # 7 Emily Benedict	District #27 Robert Nash
District # 8 Nancy VanReece	District #28 Tanaka Vercher
District # 9 Tonya Hancock	District #29 Delishia Porterfield
District #10 Zach Young	District #30 Sandra Sepulveda
District #11 Larry Hagar	District #31 John Rutherford
District #12 Erin Evans	District #32 Joy Styles
District #13 Russ Bradford	District #33 Antoinette Lee
District #14 Kevin Rhoten	District #34 Angie Henderson
District #15 Jeff Syracuse	District #35 Dave Rosenberg

FORM OF GOVERNMENT

The Metropolitan Government of Nashville, often referred to as “Metro” is a combined city and county government, where the typical functions of a city are combined with those of a county. Metro’s overall entity also includes public schools, water and stormwater utilities, sports venues, a hospital, and numerous boards and commissions.

The key parties that provide leadership to the organization are the Mayor, Metropolitan Council, elected officials, and boards and commissions. Each party has a noteworthy role in the government operations.

MAYOR’S OFFICE

The mayor provides leadership for the government and influences decisions through significant budgetary and board appointment authority. Management oversight is advanced by the mayor through establishing a vision for Metro and overarching goals, which are articulated as priority areas. The Mayor’s Office develops and implements policy and provides day to day management of the many key functions.

BOARDS AND COMMISSIONS

There are numerous boards and commissions that serve critical government roles. Several of these organizations appoint key executives that provide leadership to Metro operations.

ELECTED OFFICIALS

Metro has numerous elected officials that provide significant community leadership and management of important governmental services. They manage the daily operations of their organizations, establish an organizational vision, set goals and manage performance.

METROPOLITAN COUNCIL

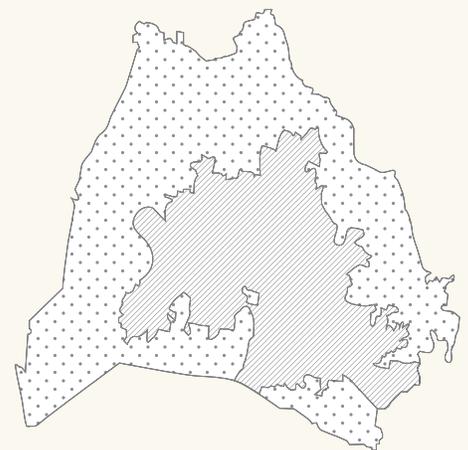
The Metropolitan Council (hereinafter the “Metro Council” or “Council”) is the legislative body for the Metropolitan Government. There are forty council members including thirty-five district council members and five at-large council members. The vice mayor serves as the presiding officer of the Council. The role of the Council is to enact ordinances and resolutions that further public policy of the Metropolitan Government and to assist with constituent services for the residents of Nashville and Davidson County.

USD GSD DISTINCTIONS

The Charter provides a framework for local government in Nashville to serve the needs of two service districts: (i) the General Services District (the GSD) and (ii) the Urban Services District (the USD).

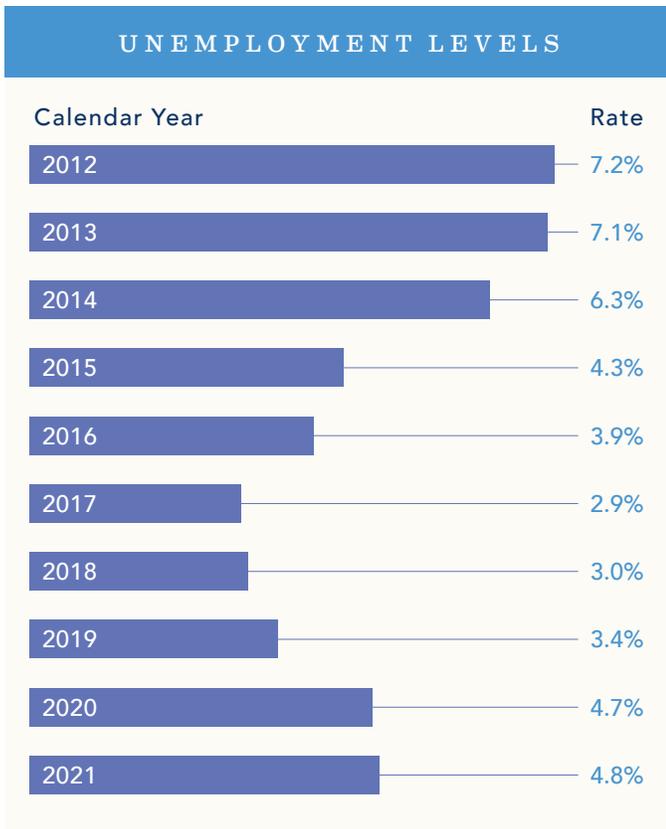
The GSD embraces the entire area of Davidson County and its residents are taxed to support those services, functions and debt obligations which are deemed properly chargeable to the whole population. Such services include general administration, police, fire protection, courts, jails, health, welfare, hospitals, streets and roads, traffic, schools, parks and recreation, airport facilities, auditoriums, public housing, urban renewal, planning and public libraries.

USD residents are charged an additional tax to support those services, functions and debt obligations which benefit only the USD. Such services include additional police protection, storm sewers, street lighting and refuse collection.



The Nashville region’s job growth has been in the top 5% of all metro areas in the country over the last five-year period. With a rich economic, social, and cultural environment, Metro consistently scores high in national rankings of preferred business locations, best places to live and favorable environments for the creation and development of businesses.

The strong job growth in Nashville can be attributed to a diverse and thriving economy that includes a variety of industries such as healthcare, technology, manufacturing and education.



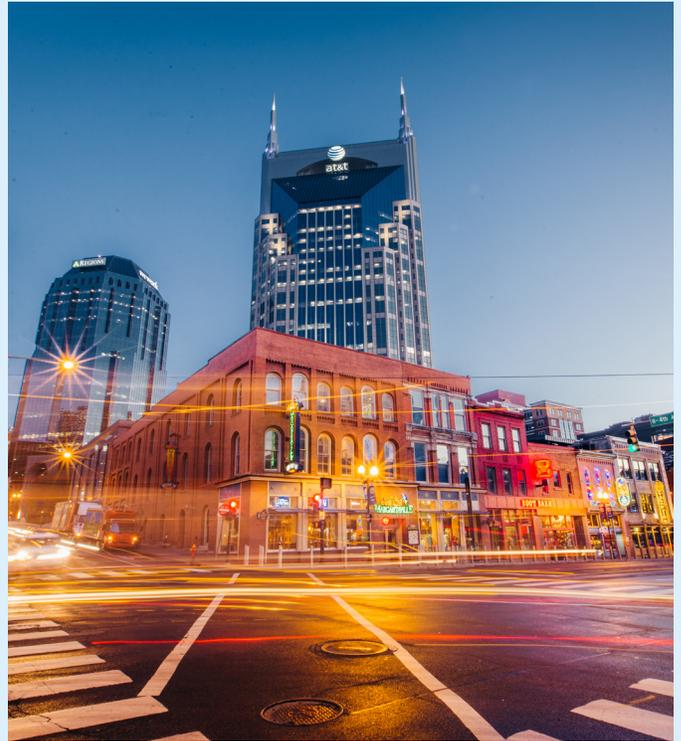
POPULATION GROWTH		
Calendar Year	Population	% Change
2012	648,295	-----
2013	658,602	1.59%
2014	668,347	1.48%
2015	678,889	1.58%
2016	684,410	0.81%
2017	691,243	1.00%
2018	692,587	0.19%
2019	708,041	2.23%
2020	715,491	1.05%
2021	715,884	0.05%

Population in Nashville has increased by about **10.43%** in the last **10 years**.

Vibrant culture and strong economy in Nashville

Nashville is a desirable place to live and work with its high standard of living, relatively low cost of living, which leads to a high per capita income.

Nashville is a destination of choice for tourism, conventions and special events. Nashville has a vibrant culture centered on creativity, music and entrepreneurship that complements its robust dining scene, popular entertainment and sports venues, and beautiful outdoor spaces.



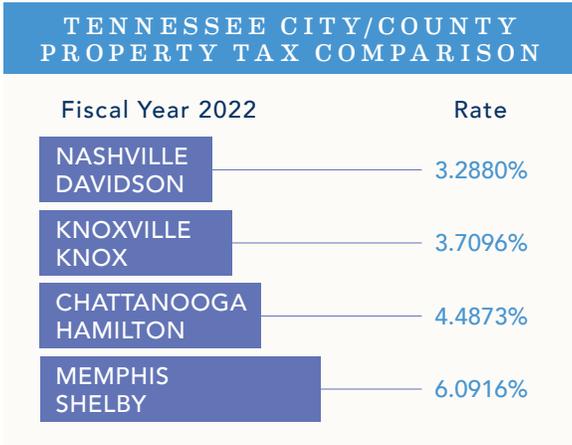
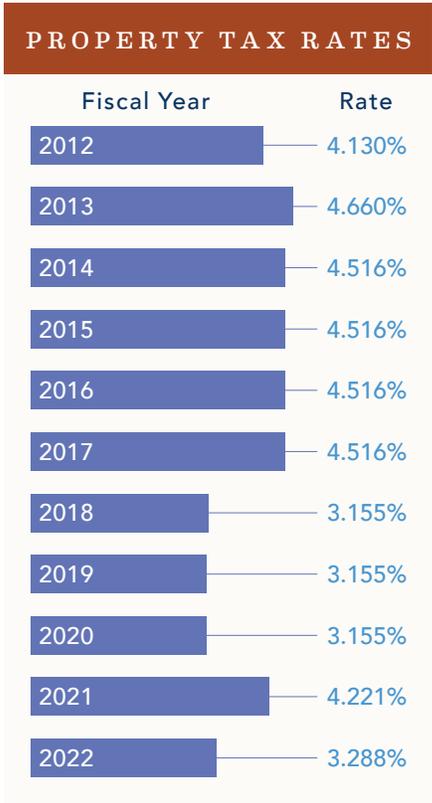
PER CAPITA PERSONAL INCOME		
Calendar Year	Per Capita	Growth
2011	\$47,318	-----
2012	\$51,526	8.89%
2013	\$51,245	-0.55%
2014	\$54,307	5.98%
2015	\$55,411	2.03%
2016	\$58,283	5.20%
2017	\$63,063	8.18%
2018	\$66,060	4.75%
2019	\$69,853	5.74%
2020	\$71,659	2.59%

Per capita personal income has grown **51.44%** over a **10 year period**.

BUILDING PERMITS ISSUED		
Fiscal Year	# of Permits	% Change
2013	9,900	-----
2014	10,131	2.33%
2015	11,695	15.44%
2016	12,852	9.89%
2017	12,225	-4.88%
2018	11,465	-6.22%
2019	11,430	-0.31%
2020	11,875	3.89%
2021	13,520	13.85%
2022	14,151	4.67%

Building permits issued increased **42.94%** over a **10 year period** which is a key performance indicator of economic growth.

Property taxes are Metro’s predominant, most stable, source of revenue.



Other City/County Tax Rates are not from the ACFR

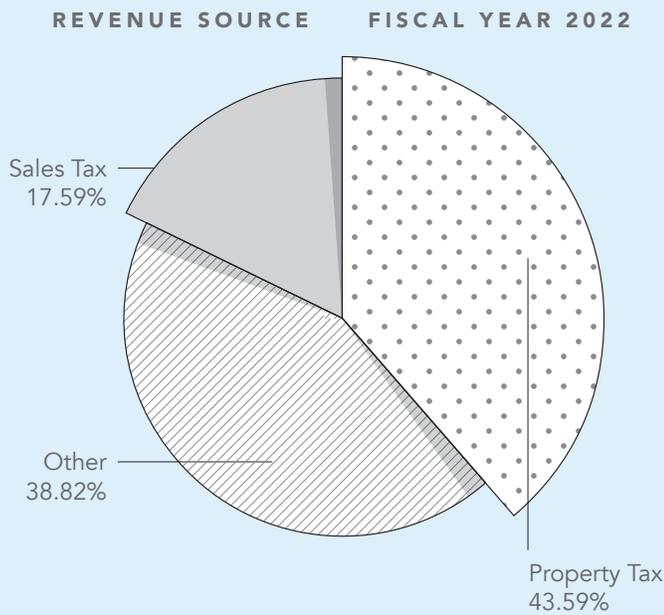
PROPERTY VALUATION		
Fiscal Year	Total Estimated Actual Property value	% Change
2013	\$63,259,449,113	----
2014	\$65,810,054,890	4.03%
2015	\$66,270,673,259	0.70%
2016	\$67,533,296,332	1.91%
2017	\$78,262,509,134	15.89%
2018	\$99,659,583,923	27.34%
2019	\$102,919,516,660	3.27%
2020	\$123,954,384,027	20.44%
2021	\$128,201,489,337	3.43%
2022	\$147,996,606,294	15.44%

PROPERTY TAX REVENUE		
Fiscal Year	Revenue	% Change
2013	\$892,398,894	----
2014	\$914,121,619	2.43%
2015	\$928,796,242	1.61%
2016	\$944,010,324	1.64%
2017	\$972,303,558	3.00%
2018	\$998,584,196	2.70%
2019	\$1,041,855,441	4.33%
2020	\$1,084,068,537	4.05%
2021	\$1,467,278,609	35.35%
2022	\$1,566,086,531	6.73%

Property valuation has increased **133.95%** over a **10 year period**.

Property tax revenue has grown by **75.49%** over a **10 year period** from growth in the tax base as well as changes in the property tax rate.

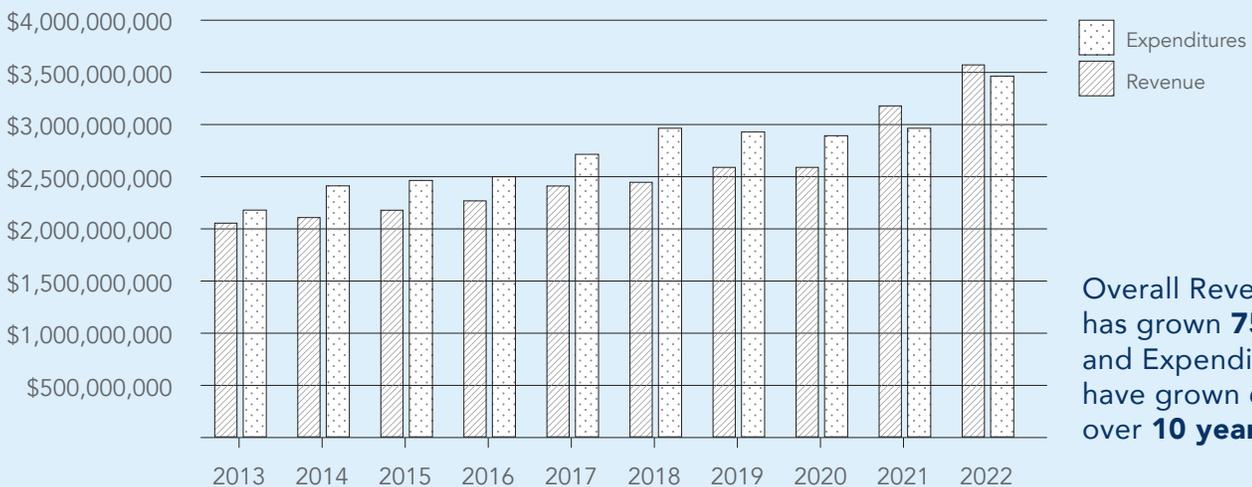
Property tax and local option sales tax represents 61% of total revenue for all governmental funds.



SALES TAX REVENUE		
Fiscal Year	Revenue	% of Change
2013	\$301,430,612	----
2014	\$315,478,742	4.66%
2015	\$340,076,515	7.80%
2016	\$365,703,934	7.54%
2017	\$382,934,148	4.71%
2018	\$414,155,992	8.15%
2019	\$450,234,426	8.71%
2020	\$443,867,556	-1.41%
2021	\$481,411,818	8.46%
2022	\$632,009,262	31.28%

Local Option Sales Tax has grown **109.67%** over a **10 year period**.

GOVERNMENTAL FUNDS: REVENUE AND EXPENDITURE GROWTH



Overall Revenue has grown **75.16%** and Expenditures have grown **60.8%** over **10 years**.

Government-wide statements report Metro's financial activity and information in one place using accounting methods similar to those used by private-sector companies.

Government-wide statements categorize services as governmental activities or business-type activities.

STATEMENT OF NET POSITION

This is a balance sheet that provides a snapshot of what Metro owns (assets), what Metro owes (liabilities) and the Net position represents Metro's investment in the assets it uses to provide services to residents.

STATEMENT OF ACTIVITIES

This is an income statement that summarizes amounts received (revenue) and amounts spent (expenses).

GOVERNMENTAL ACTIVITIES

Most of the city's basic services, such as law enforcement, fire prevention, public health, public works, highways and streets, and education are listed as governmental activities. Property taxes, local option sales tax, other taxes, and grants and contributions fund most of these activities.

	2021	2022	
STATEMENT OF NET POSITION			
Total Assets and Deferred Outflows	\$8,389,994,713	\$9,105,822,046	8.5%
Total Liabilities and Deferred Inflows	\$11,562,499,209	\$10,657,649,891	-7.8%
Total Net Position	(\$3,172,504,496)	(\$1,551,827,845)	51.1%
STATEMENT OF ACTIVITIES			
Total Revenue	\$3,268,530,148	\$3,651,940,585	11.7%
Total Expenses	(\$2,774,110,084)	(\$2,031,263,933)	-26.8%
Change in Net Position	\$494,420,064	\$1,620,676,651	227.8%

GOVERNMENTAL HIGHLIGHTS

In Fiscal Year 2022, total revenue grew by 11.7% mainly due to property tax, local option sales tax, and hotel occupancy tax growth. Operating expenses decreased by 26.8% primarily due to the postemployment benefit expense decrease. Overall, the net position for governmental-type activities increased by 51.1%.



BUSINESS-TYPE ACTIVITIES

The city charges fees to customers to cover the costs of certain services provided. The city's water and sewerage services, district energy system, and stormwater operations are listed as business type activities.

	2021	2022	
STATEMENT OF NET POSITION			
Total Assets and Deferred Outflows	\$2,942,388,190	\$3,338,106,520	13.4%
Total Liabilities and Deferred Inflows	\$1,426,697,244	\$1,686,928,086	18.2%
Total Net Position	\$1,515,690,946	\$1,651,178,434	8.9%
STATEMENT OF ACTIVITIES			
Total Revenue	\$400,219,704	\$431,517,631	7.8%
Total Expenses	(\$278,361,866)	(\$310,887,921)	11.7%
Change in Net Position	\$121,857,838	\$120,629,710	-1.0%

BUSINESS-TYPE HIGHLIGHTS

In Fiscal Year 2022, total revenue grew by 7.8% mainly due to a rate increase by the Department of Water and Sewerage Services. In addition, the Board of Fair Commissioners and the Municipal Auditorium saw revenue increase as the impact of the COVID-19 pandemic lessened. Expenses grew primarily due to budgeted expenses and overall, the net position for business-type activities increased by 8.9%.

The Operating Funds include the GSD General Fund, USD General Fund and General Purpose School Fund and are the primary funds for Metro's general government. The operating funds account for all Metro's financial resources except those revenues that are required to be accounted for in another fund. Operating fund expenditures are largely supported by revenue from property taxes and local option sales tax.

Where does the money come from?

TOTAL REVENUE FISCAL YEAR 2022

\$2,584,828,526



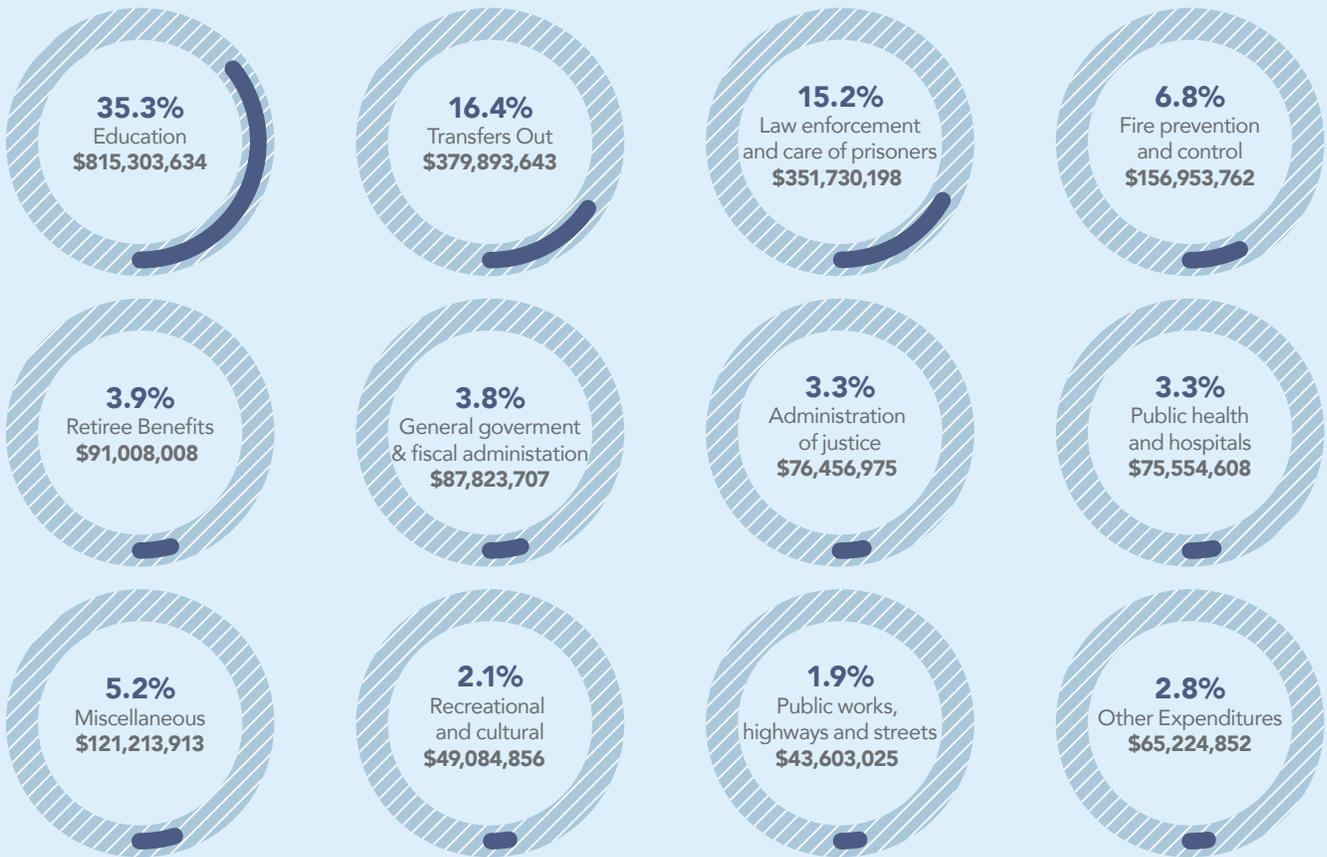
Other taxes, licenses and permits includes revenues from business tax, alcoholic beverage tax, motor vehicle licenses, wholesale beer tax, and building permits. Other governmental agency revenue includes revenues from the Tennessee sales tax levy, gas and fuel tax, and the Tennessee excise tax allocation. Transfers in and other revenue sources include the hotel occupancy tax, short term rental, local cost allocation plan reimbursement and lease revenue.

Operating Funds include most of Metro's basic services, including public safety, infrastructure, general government administration, and capital project activities, such as transportation and neighborhood projects, funded by bond proceeds. These services are supported by taxes; capital contributions, such as grants from the federal and state governments; and fees and charges from those who directly benefit from the programs.

Where does the money go?

TOTAL EXPENDITURES FISCAL YEAR 2022

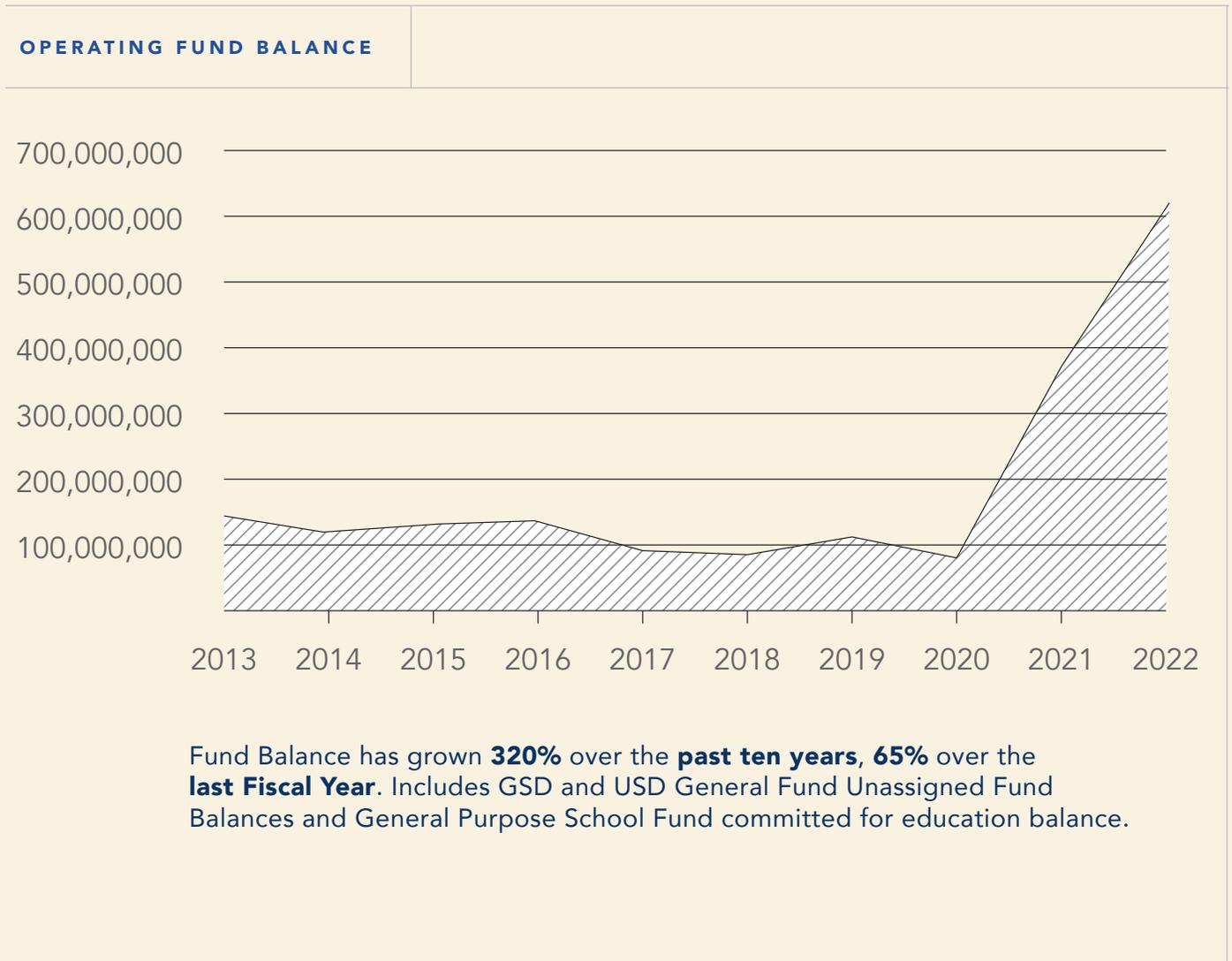
\$2,313,851,181



Miscellaneous expenditures includes contributions and community support, subsidies and administration and internal support. Other expenditures are for the public library system, regulation and inspection, capital outlay, and public welfare. Transfers out include transfers to the 4% reserve fund, fleet management, grant matching, injury on duty and self- insurance. Also, transfers out include transfers from the general purpose school fund to the education services fund which supports the food service operations of the school system and charter schools.

Metro prepares for the unexpected by having reserves in the form of fund balance. Reserves are similar to savings because they provide financial flexibility to react to economic downturns and unforeseen circumstances in a timely manner. Fund Balance is an accumulation of revenues minus expenditures and each fund maintained by Metro has a fund balance.

The Operating Fund Balance information includes the General Services District and Urban Services District General Fund Unassigned Fund Balances, and General Purpose School Fund committed for education balance.



WHY DOES FUND BALANCE MATTER?

It allows Metro to fully cash flow its month-to-month operations.

It provides Metro with interest income.

It serves as one of the single most important financial metric for credit ratings which enables Metro to borrow at a lower interest rate.

It functions as Metro’s reserves in the case of economic downturns or crisis.



OPERATING FUND BALANCE				
Fiscal Year	Operating Fund Balance	Fiscal Year	Operating Expenditures	% of Operating Expenditures
2013	\$148,103,596	2014	\$1,605,031,584	9.2%
2014	\$124,802,516	2015	\$1,685,689,871	7.4%
2015	\$136,521,176	2016	\$1,749,958,498	7.8%
2016	\$140,726,604	2017	\$1,869,945,114	7.5%
2017	\$97,810,057	2018	\$1,950,891,680	5.0%
2018	\$92,080,162	2019	\$1,971,189,052	4.7%
2019	\$114,499,314	2020	\$2,007,686,605	5.7%
2020	\$88,795,017	2021	\$2,058,891,992	4.3%
2021	\$378,796,570	2022	\$2,302,687,111	16.5%
2022	\$623,478,087	2023	\$2,551,111,000	24.4%

Fiscal Year’s operating fund balance is shown in relationship to the subsequent year’s audited or budgeted expenditures (i.e. FY2022 Fund Balance is shown on the same line as the FY2023 Budget Operating Expenditures).

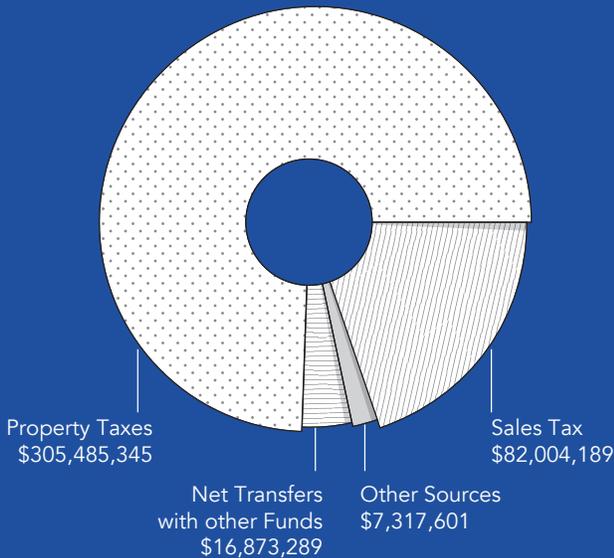
Metro is committed to responsible debt management, including careful planning, adherence to debt covenants, and timely payment of principal and interest. Debt service refers to the money that is required to cover the payment of interest and principal on a loan or other debt for a particular time period. Effective debt management allows Metro to secure financing on favorable terms and protect financial stability.

IN 2022, METRO CONTINUED TO MAINTAIN OUR EXCELLENT CREDIT RATING



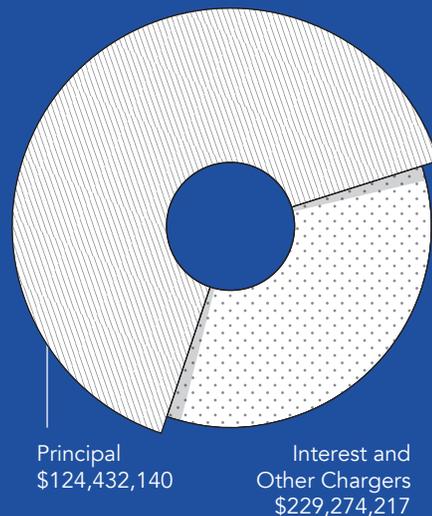
DEBT SERVICE FUND REVENUE

Year End 30, 2022
\$411,680,424



DEBT SERVICE FUND EXPENDITURES

Year End 30, 2022
\$353,706,357



DEBT SERVICE FUNDS

Total Debt Service includes the GSD General Purposes Debt Service Fund, GSD School Purposes Debt Service Fund, and USD General Purposes Debt Service Fund Committed for Debt Service balances.

Fiscal Year	Total Debt Service	Total General Expenditures ⁽¹⁾	% of Debt Service to Total General Expenditures
2013 ⁽²⁾	\$125,472	\$1,964,390	6.39%
2014	\$186,428	\$2,059,327	9.05%
2015	\$202,033	\$2,134,006	9.47%
2016	\$206,228	\$2,231,093	9.24%
2017	\$221,886	\$2,359,209	9.41%
2018	\$251,833	\$2,517,414	10.00%
2019	\$268,357	\$2,565,093	10.46%
2020	\$315,964	\$2,626,506	12.03%
2021	\$311,552	\$2,802,442	11.12%
2022	\$339,470	\$3,146,621	10.79%

1 Includes General, Special Revenue and Debt Service Funds.

2 As a result of a bond refunding in June 2010, principal payments for the year ended June 30, 2013 were significantly reduced.

Amounts expressed in thousands

Debt Service Fund Balance has grown 560% over the past ten years, 83% over the last fiscal year.

DEBT FUND BALANCE				
Fiscal Year	Debt Fund Balance	Fiscal Year	Debt Expenditures	% of Operating Expenditures
2013	\$19,363,228	2014	\$202,044,045	9.6%
2014	\$19,118,110	2015	\$223,801,150	8.5%
2015	\$18,290,457	2016	\$228,838,375	8.0%
2016	\$17,233,433	2017	\$243,018,847	7.1%
2017	\$14,156,214	2018	\$272,753,274	5.2%
2018	\$10,272,826	2019	\$285,532,837	3.6%
2019	\$17,952,500	2020	\$295,509,523	6.1%
2020	\$34,315,751	2021	\$335,529,842	10.2%
2021	\$69,865,897	2022	\$353,706,357	19.8%
2022	\$127,839,964	2023	\$407,428,000	31.4%

Fiscal Year's debt fund balance is shown in relationship to the subsequent year's audited or budgeted expenditures (i.e. FY2022 Fund Balance is shown on the same line as the FY2023 Budget Debt Expenditures).

Major initiatives

Metro is committed to a series of smart investments and dedicating unprecedented resources to address the most critical issues facing our city and improving the neighborhoods in which Nashvillians live, work and play.

Strong fiscal stewardship and a growing economy during FY22 drove Nashville's **economic rebound after two years** of emergencies and disasters that plagued the city including the worst health crisis in our nation's history. Nashville is investing in fundamentals, directing resources to the following priorities: education and our children's future; keeping our neighborhoods safe; addressing homelessness; improving transportation structure and city services; building and preserving affordable housing and creating a greener, more sustainable city.





Investing in Our Children’s Futures Through Education

Strategies for this priority include strengthening Nashville’s public schools to provide a high-quality K-12 education for all students through consistent prioritization and sustained commitment, supporting Metro Nashville Public Schools support staff, investing in the learning environment, funding paid family leave for employees, and providing better school facilities.

General Purpose School Fund Expenditures increased **21.29%** over a **10 year period** demonstrating Metro's continued commitment to education.

GENERAL PURPOSE SCHOOL FUND		
Fiscal Year	Expenditure	% Change
2013	\$673,046,382	----
2014	\$690,019,780	2.52%
2015	\$692,862,309	0.41%
2016	\$712,892,805	2.89%
2017	\$733,212,851	2.85%
2018	\$760,737,666	3.75%
2019	\$747,134,237	-1.79%
2020	\$749,899,754	0.37%
2021	\$758,516,604	1.15%
2022	\$816,332,980	7.62%

Keeping Our Neighborhoods and Communities Safe

Targeting investments in public safety and justice to meet the needs of our first responders, reducing crime, and quickly responding to emergencies. Additional emergency response personnel, adopting the national model for crime prevention, increased mental health response, and addressing crime rates are key initiatives to bolster community safety as the Nashville population continues to grow.

911 CALLS		
Fiscal Year	# of Calls	% Change
2013	365,278	----
2014	351,814	-3.69%
2015	408,433	16.09%
2016	450,517	10.30%
2017	401,269	-10.93%
2018	374,337	-6.71%
2019	449,816	20.16%
2020	412,317	-8.34%
2021	449,816	9.09%
2022	485,445	7.92%

LAW ENFORCEMENT SPENDING		
Fiscal Year	Expenditure	% Change
2013	\$231,121,038	----
2014	\$240,770,156	4.17%
2015	\$249,765,327	3.74%
2016	\$262,052,423	4.92%
2017	\$272,631,001	4.04%
2018	\$284,014,877	4.18%
2019	\$288,482,195	1.57%
2020	\$301,194,426	4.41%
2021	\$312,866,080	3.88%
2022	\$351,730,198	12.42%

Addressing Homelessness



Recognizing significant community needs, Metro’s approach is designed to allow a coordinated outreach effort and service delivery across four quadrants of the city for all citizens needing support. Important investments are being made to address homelessness. Additional social service workers, nutrition staff, homeless outreach, and landlord engagement specialist provide supportive services including case management, outreach, and improving access to disability and health care benefits.

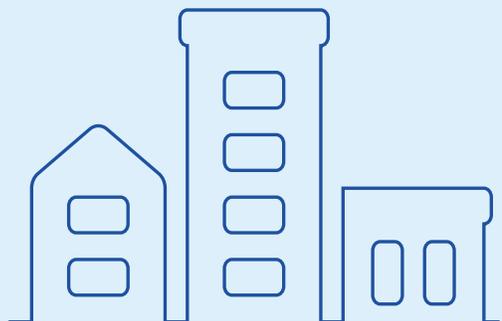


Public Works Highways and Streets expenditures increased **23.3%** during **Fiscal Year 2022** exhibiting the investment to improving City Services.

Improving Transportation Structure and City Services

Metro has restructuring Public Works as the Department of Transportation to bring greater focus and accountability to how we connect our residents, businesses, schools, and neighborhoods. The Charter vote for this restructure occurred in August 2022 making the Nashville Department of Transportation an official department. The goal is to ensure a high quality, multimodal transportation

network while investing in existing and aging infrastructure. Special emphasis has been placed on core services including street sweeping, roadway improvement, sidewalk and pothole repair, trash and recycling collection, sign maintenance, and transportation licensing with additional personnel added to the areas of Planning, Codes, Water Department, and the Fire Marshall.



Building and Preserving Affordable Housing

Key to maintaining vibrant communities in years ahead, is the support of building, funding and preservation of affordable housing options via implementation of recommendations from the Affordable Housing Task Force. This includes continued funding through the Barnes Fund, partnership with the Metro Development Housing Authority, and a myriad of other tactical strategies with private developers throughout Metro.

Greener, More Sustainable City

Metro is cultivating livable communities, such as green space, recreation, libraries, and public health services, and the planning/zoning services that guide and design them.



100 Miles
of Greenway



183
Parks

Metro by the Numbers



485,070

REGISTERED VOTERS



1,549,947

LIBRARY VISITS



485,445

911 CALLS



81,819

SCHOOL ENROLLMENT



7,345,806

GARBAGE COLLECTION PICK UPS



443,197

WATER SERVICE CONNECTIONS



5,985

TRANSIT MILES OPERATED



100,031

FIRE RESPONSE CALLS



14,151

BUILDING PERMITS ISSUED

FOR MORE INFORMATION:

nashville.gov/departments/finance/reports
nashville.gov/departments/finance/division-accounts/comprehensive-financial-reports

